

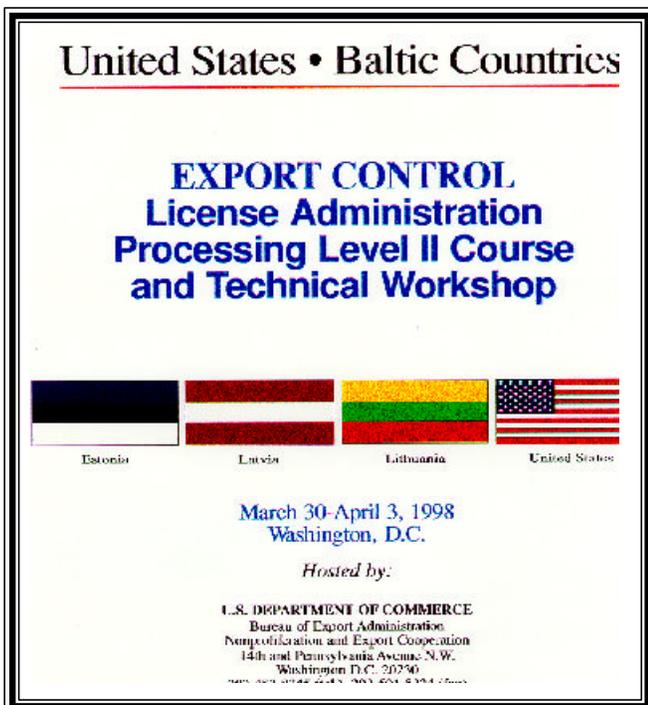
# BUREAU OF EXPORT ADMINISTRATION

The Bureau of Export Administration (BXA) enforces U.S. export controls relating to national security, foreign policy and short supply. BXA prevents the export of goods and technologies controlled by the U.S. or multilateral regimes that may harm our national security by exacerbating the proliferation of weapons of mass destruction or the systems that deliver them. By administering an understandable, accessible and timely export control process, BXA facilitates the development of new products and technologies, and helps maintain and advance America's leadership in an increasingly competitive global economy.

BXA's principal activities include:

- Implementing the Export Administration Act (EAA). The EAA, which has expired and needs to be re-authorized, provides for export controls on dual-use goods and technology to fight proliferation and to pursue other national security, short supply, and foreign policy goals (such as combating terrorism). In response to the growing threat of proliferation of weapons of mass destruction by "pariah" nations and the evolution of the export licensing system towards individual end users, BXA has strengthened its export enforcement staff. The EAA is enforced through a variety of administrative, civil, and criminal sanctions. Simplifying and updating export controls in light of the end of the Cold War has been, and remains, a major goal of this Administration.

- BXA Funding**
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- | Year | Funding (Millions) |
|------|--------------------|
| 1999 | 56.2               |
| 2000 | 53.9               |
| 2001 | 71.6               |
- Enforcing the export control and anti-boycott provisions of the EAA. In addition, ensuring compliance with treaties imposing requirements on U.S. industry. The most important such treaty is the Chemical Weapons Convention (CWC), which gives BXA new inspection, law enforcement and outreach responsibilities. BXA plays a critical role in administering the new and complex declarations processing functions and the oversight of on-site inspections to ensure that confidential business information is not jeopardized as a result of CWC implementation.
  - Managing the Critical Infrastructure Assurance Office (CIAO). On May 22, 1998, the President signed Presidential Decision Directive 63, Critical Infrastructure Protection, calling for a national effort to assure the security of the increasingly vulnerable interconnected national infrastructure, including telecommunications, banking, finance, energy, transportation and essential government services. The CIAO provides support to the National Coordinator's work with government agencies and the private sector in developing a plan to reduce the infrastructure's exposure to attack, to respond, and to recover in the event of an attack.
  - Analyzing and protecting the defense industrial and technology base, pursuant to the Defense Production Act and other laws. As the Defense Department increases its reliance on dual use high technology goods as part of its cost-cutting efforts, ensuring that we remain competitive in those sectors and sub-sectors is critical to our national security.
  - Helping Newly Independent States and emerging economies develop effective export control systems. The effectiveness of U.S. export controls can be severely undercut if other supplier nations export sensitive goods and technology or permit diversion of our exports to other nations.



## BXA Performance Measures

Performance measures will continue to evolve over time, as BXA and its programs, the Department of Commerce, and the Federal Government as a whole, continue to refine and enhance their capacities to develop performance measures, to use performance measurement as a key management tool,

and implement the GPRA. A more detailed presentation of goals, objectives, and performance measures is found in the Department's Annual Performance Plan and BXA's budget justification.

# SUMMARY OF APPROPRIATIONS

(Dollars in Thousands)

## Funding Levels

<b>Appropriation</b>	<u>1999</u>	<u>2000</u>	<u>2001</u> <u>Estimate</u>	<u>Increase</u> <u>(Decrease)</u>
Operations and Administration	\$52,190	\$53,853	\$71,554	\$17,701
Transfer of Y2K Funds (P.L. 105-277)	3,978			0
<b>TOTAL BUDGET AUTHORITY</b>	<b>56,168</b>	<b>53,853</b>	<b>71,554</b>	<b>17,701</b>

## **PERMANENT POSITIONS**

Operations and Administration	379	465	514	49
Reimbursable	4	4	4	0
<b>Total</b>	<b>383</b>	<b>469</b>	<b>518</b>	<b>49</b>

# HIGHLIGHTS OF BUDGET CHANGES

## APPROPRIATION: Operations and Administration

### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>Perm Pos.</u>	<u>Amount</u>	<u>Perm Pos.</u>	<u>Amount</u>
<b>2000 Enacted</b>			465	\$53,853
<b>Adjustments to Base</b>				
<b><u>Adjustments</u></b>				
Restoration of prior year carryover used to offset 2000 appropriation				739
Transfers:				
Working Capital Fund transfer to GA for security				(115)
<b><u>Other Changes</u></b>				
2000 Pay raise		\$372		
2001 Pay raise		770		
Payment to the Working Capital Fund		82		
Full year cost in 2001 of positions financed for part year in 2000		23		
Within-grade step increases		355		
One less compensable day		(114)		
Civil Service Retirement System (CSRS)		(112)		
Federal Employees' Retirement System (FERS)		247		
Thrift Savings Plan		25		
Federal Insurance Contributions Act (FICA) -OASDI		94		
Health insurance		148		
Employees' Compensation Fund		22		
Travel				
Common carrier / Travel Management Centers		16		
Vehicle leases		101		
Rent payments to GSA		99		
International Trade Center Space (Reagan Building)		23		
Printing and reproduction		6		
NARA Storage and Maintenance		(1)		
Other services:				
Working Capital Fund		53		
Executive Development and Leadership Training		40		
General Pricing Level Adjustment				
Communications, Utilities & misc.		14		
Other services		92		
Supplies and materials		14		
Equipment		8		
Subtotal, other cost changes		<u>0</u>		<u>2,377</u>
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<u>0</u>	<u>3,001</u>
<b>2001 Base</b>			465	56,854
Program Changes			49	14,700
<b>2001 APPROPRIATION</b>			<u>514</u>	<u>71,554</u>

## Comparison by Activity

	2000 Currently Avail		2001 Base		2001 Estimate		Increase / Decrease	
	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
<b>DIRECT OBLIGATIONS</b>								
Management & Policy Coordination	25	\$4,143	25	\$4,051	32	\$4,751	7	\$700
Export Administration	192	23,930	192	24,828	215	33,328	23	8,500
Export Enforcement	198	23,499	198	24,808	217	26,808	19	2,000
Critical Infrastructure	50	4,434	50	3,167	50	6,667	0	3,500
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>465</b>	<b>56,006</b>	<b>465</b>	<b>56,854</b>	<b>514</b>	<b>71,554</b>	<b>49</b>	<b>14,700</b>
REIMBURSABLE OBLIGATIONS	4	9,805	4	5,003	4	5,003	0	0
<b>TOTAL OBLIGATIONS</b>	<b>469</b>	<b>65,811</b>	<b>469</b>	<b>61,857</b>	<b>518</b>	<b>76,557</b>	<b>49</b>	<b>14,700</b>
<b>FINANCING</b>								
Unobligated balance, start of year		(10,603)						
Unobligated balance transfer		3,648						
Offsetting collections from:								
Federal funds		(4,003)				(4,003)		
Non-Federal sources	(4)	(1,000)			(4)	(1,000)		
Subtotal, financing	(4)	(11,958)			(4)	(5,003)		
<b>TOTAL BUDGET AUTHORITY</b>	<b>465</b>	<b>53,853</b>			<b>514</b>	<b>71,554</b>		

## Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>Permanent Positions</u>	<u>Amount</u>	<u>Permanent Positions</u>	<u>Amount</u>
<u>Management and Policy Coordination</u>	25	\$4,051	+7	+\$700

BXA, for the last seven years, has received funding from both the Departments of State and Defense to conduct technical reviews and exchanges with the former Soviet republics and other potential proliferators of sensitive materials. Funds from these two agencies may not be used for BXA staffing. Both agencies have been pressuring BXA to increase the number of technical exchanges for FY 2000 and FY 2001 to include India, Pakistan and China. BXA has not been able to comply fully with their requests due to staffing shortages. This increase for non-proliferation and export controls will fund the much needed staff to complement the doubling of the workload.

<u>Export Administration</u>	192	\$24,828	+23	+\$8,500
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An increase is requested to ensure that U.S. chemical and pharmaceutical firms comply with the Chemical Weapons Convention reporting and inspections requirements without losing confidential information in the process. This program was partially funded in previous years and must now be funded at a level consistent with the number of inspections that Commerce will be expected to complete.

<u>Export Enforcement</u>	198	\$24,808	+19	+\$2,000
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Increasing effective inspections of cargo entering the United States is essential to protecting the Nation from terrorism. This increase will allow export enforcement personnel to target outbound shipments for investigations and assist the Customs Service in targeting inbound shipments. This increase for weapons of mass destruction prevention will also expand the export enforcement counterterrorism program.

<u>Critical Infrastructure Assurance Office (CIAO)</u>	50	3,167	+0	+\$3,500
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An increase is requested to restore CIAO funding to the FY 1999 funding level. Without adequate funding, the major objectives of the program will not be accomplished. Progress made to date could be slowed and result in the failure of the Federal government to meet the objectives of Presidential Decision Directive-63. The increase includes \$500,000 for the state and local government pilot of information sharing and analysis centers (ISACs).